

GERMANY'S DOOM SEALED BY HER REFUSAL TO PAY

By FRANK H. SIMONDS.

THE moment has arrived in the German crisis when it is possible, even necessary, to recognize the fact that short of the miraculous Germany, the modern industrial Germany, which has developed in the last half century, is doomed.

Within the next ten years we are almost certain to see a transformation hardly like anything which has happened since those remote days when disturbances of food supplies set in motion the migration of the barbarian tribes which totally overturned the whole Roman world.

In the case of Germany the situation is this: Industrial development, the fortunate juxtaposition of coal and iron deposits, the unparalleled gift of the German people for organization, led to an expansion following the Franco-Prussian war, one of the most striking details in which was the growth of German population from 40,000,000 to approximately 70,000,000 between 1870 and 1914. This population, living on a territory having a relatively small area, maintained itself only through its foreign trade, through its ability to produce manufactured articles which it bartered against raw materials and foodstuffs.

Were it conceivable that the German hold upon the foreign market could be broken, the consequence would be that it would no longer be possible for Germany to support her enormously swollen population, since Germany could not produce the food necessary for her own people. Once the foreign market were closed millions of Germans would be compelled to migrate or perish by starvation. To-day we have arrived at the situation where, unless there be a change swift and still unforeseen, somewhere between 15,000,000 and 20,000,000 Germans must emigrate.

In analyzing the situation which has thus developed, it is essential to go back for a moment to the circumstances of the war and of the period which has followed the signing of the armistice and of the Treaty of Versailles. The war was the result of the unprovoked attack of Germany upon her French and Russian neighbors. In the course of which she destroyed Russia and crippled France for years. The single chance for French recovery on the financial side has lain, and still lies, in the capacity and willingness of Germany to meet the reparations demands fixed in the Treaty of Versailles and subsequently modified in the several conferences.

French Policy Has Been Clear Ever Since Armistice Was Signed

On the morning of the armistice—on every day since—French policy has been perfectly clear. A restored Germany was bound to be a peril to France, since a strong Germany had twice, in 1870 and in 1914, attacked the French nation without warrant and to remove the French obstacle to German domination on the Continent of Europe, France would only consent to such a restoration of Germany as would make the old danger impossible provided Germany met the French demands as to reparations and provided also the recent allies of France joined her in disarming Germany and keeping Germany powerless, both by supervising her armaments and by guaranteeing French security.

Now, looking back over the span of more than two years, it is clear that the French conditions have not been met. Germany has, so far, paid nothing, save as she has been compelled to make deliveries of arms, ships and materials which she could not conceal or withhold. She has evaded and defied her conquerors. While France has marched steadily toward fiscal ruin as a consequence of the burden laid upon her to repair German devastations, while French as well as British taxpayers have groaned under the burden of imposts the German has escaped foreign payments and avoided home levies.

By the time the recent conferences of Paris and London arrived the situation had developed in which it was no longer doubtful that, unless some new policy were adopted, Germany would issue from the war victorious, since she would have achieved the fiscal ruin of her French antagonists, as she had already produced the political ruin of Russia, while her British foe would be crippled and threatened by a German competition, which would mean something approaching disaster for the United Kingdom.

Meantime what was the development of French policy? Following the German attack and the allied victory, toward which France has made the greatest single contribution and in which French sacrifice had been the largest, it lay with France to decide whether Germany should be so dealt with as to prevent the peril of a new German attack, or permitted to regain her old prosperity, with the hope that in the meantime German purpose would change and with the certainty that German payments would be made.

Must Prevent New German Attack Even if Enemy Nation Passes

A good deal of nonsense has been written about the whole European situation, but it was manifest that it was the duty of French statesmanship to provide against any new German attack, whether such provision should carry with it the destruction of contemporary Germany or not. In the performance of this duty, French statesmanship could only weigh the interests of France. They could only consent to run risks with respect of Germany, provided they were assured of German payments and of the protection of their allies.

Now without going back over the progress of events since the armistice of Rethondes, the fact stands out that the prospect of French realization on German payments has diminished with each succeeding month. There is less chance now of French recuperation through German reparations than at any moment since the end of the war. Exactly in the same fashion the prospect of an Anglo-American or an English guarantee of French security has similarly declined. France to-day faces the moral certainty that Germany won't pay and the actual certainty that her former associates will not undertake to defend France if Germany does attack later.

Therefore the French people have to ask themselves the simple question: "Since Germany won't pay us, our allies won't protect us, why should we let Germany recover to the point where she will be able to attack?"

So far no one has found an answer, either in or out of France and this fact is the central circumstance in the new European situation. This situation rests on the fact that France has the power to destroy and every right to exercise the power, given German purposes past and present.

German salvation has always rested upon German willingness to make enormous payments, which despite their magnitude did not meet the sum total of German destruction, and on German willingness to recognize

Forced Migration of Millions Certain to Follow Failure of Industries to Revive, as Nation Cannot Feed Its Much Increased Population--France Forced in Self Defence to Sternest Measures to Hope for the Future

the results of the war and lay aside her aggressive policies. In a word, the Germans had to pay France and they had to cease to menace France. If they did both of these things it lay within the power of the United States and Great Britain to ameliorate the situation of the Germans, to assist in German recovery and thus to save Germany from ruin.

But the German has not been willing to pay or to submit. He has refused money, he has clung to his arms wherever possible, he has redoubled his threats of revenge, of the recovery of Alsace-Lorraine, of the future destruction of France. He has silenced the voices and paralyzed the efforts of precisely those nations whose self interest and enlightened policy alike contributed to make them willing to save Germany, and he has armed the French with precisely those weapons which must, if used, be fatal to him.

We have come now to something like a supreme crisis. On the economic side Germany has made vast strides toward regaining her old position. But all this progress will come to nothing if she has now to face an extended allied occupation, the seizure and operation of her great coal districts, the allocation of the Upper Silesian fields to the Poles and those of the Ruhr to the French.

If, in addition, new tariff walls are stretched across Germany, if all security and confidence are destroyed by the advance of allied armies, then the end of the economic recovery of Germany can be foretold promptly.

Millions Must Migrate Soon Or Quickly Face Starvation

Now, when one talks of the destruction of Germany the words have a peculiar and limited meaning. Whatever happens, millions of men and women will continue to dwell on German soil, and the nation cannot be destroyed. What is meant is that the economic conditions can be so modified that millions of men and women will have to migrate or starve, and that this enforced migration will bring about a total transformation of the situation of Germany herself

in relation to her neighbors and to the world.

But if the population of Germany is reduced to those limits which represent the capacity of the country to support itself; if its great mineral resources are alienated by French and Polish occupation; if its foreign trade is eliminated by the destruction of German production, through the abolition of confidence and credit essential to the present possession by the Germans of the necessary raw materials to keep their machine working, then we shall have, once for all, the end of the danger which has overhung France for more than half a century, the danger which has been expressed in two wanton invasions with devastations which defy description.

Better Off Than Before the War And Strong Within Ten Years

No one should mistake the German situation. Germany has escaped the war with little disturbance to her sources of wealth outside of the loss of her Lorraine iron fields and her shipping, the latter of which she can and is making good with little delay. Such territory as she has so far lost has not diminished materially her great coal holdings, which are the basis of her prosperity. Given time, given foreign credits—particularly credits which America can supply—Germany can become within a decade as potent a factor in the world markets as ever; indeed, if her great military expenses are abolished she will be better off than before.

By contrast with France and Italy she has no devastated areas, her loss in man power was far less proportionately than that of either Latin country. Moreover, as contrasted with Great Britain, France and Italy, she has no foreign debt contracted during the war and now a mortgage upon her future. Such debt as she has is domestic and can be controlled by her own tax laws. If she can evade payment of reparations she will have won the war on the economic side, and having won it on the economic side will presently be prepared to renew it on the military and political side with every prospect of ultimate success.

Strange Claims Against U. S. Alive With Romance

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WITH every new Congress there is a revival of strange, quaint, almost forgotten claims against the United States Government. Some of these are as old as the nation itself, dating from Revolutionary War times and the first, feeble steps of the Republic. Some spring from the period when France was inclined to be a bit imperious toward American commerce and thought nothing of commandeering crews and cargoes or vessels themselves. Others arise out of the War of 1812, the Mexican war, the civil war and the war against Spain. The great majority of the bills presented against Uncle Sam are for losses or injuries, often sustained or suffered in extraordinary ways, by persons in the service of the Government or doing business with it.

Our Uncle Sam is keen enough about taking in money, but it grieves him to let go of it. The estimable old chap is a bit of a tightwad really, though that designation hardly seems to fit after the wild and wanton extravagance that came with the world war. Even if he has spending streaks in which he flings out cash by the billions of dollars his actual disposition is to be close, to scrutinize the items shrewdly and to show a tight lip against sentimental pleas.

History of a Forgotten State Recalled by the Sevier Claim

As every new Congress gets to work, its Senate and House committees on claims find before them masses of demands for financial satisfaction, many very just and proper, others, doubtless, that are flimsy to the point of absurdity. As one surveys even casually the claims that are renewed year by year one obtains fascinating glimpses into national history of a period now dim and remote and catches here and there the measure of long dead gentlemen of resolution and courage who more than did their part in the making of the Republic.

How many remember that paladin of the Revolution, Gen. John Sevier, and the State that he founded and was Governor of, the forgotten State of Franklin, which had its own Legislature and courts, collected its own taxes, legalized its own marriages and otherwise exercised the functions of a commonwealth? Probably few people in these days are aware more than vaguely at most that the State of Franklin existed. Its quaint history is revived by the claim of the descendants of Gen. Sevier for \$64,000,000, including interest for much more than a century.

John Sevier, of Huguenot descent, was a protégé of Lord Dunmore, as George Washington was of Lord Fairfax, but when the colonies broke away from George III, Sevier, already a noted Indian fighter, went with them, and in campaigns with Marion, the Swamp Fox, made the British red coats very uncomfortable in the South.

In 1783 Gen. Sevier and his son, John Sevier, Jr., bought from North Carolina, at the rate of ten pounds specie for every 100 acres, a tract of 174,474 acres in what is now Tennessee. At the close of the Revolution North Carolina, greatly in debt on her personal account to the new Republic, found a way of squaring the debt by transferring to the United States the great tract of land she owned to the westward of her present western border, a tract which covers the State of Tennessee to-day. In her gift to the United States was included the holdings of the old Indian fighter Sevier and his son had bought. His own home was in the wild western region where, among 25,000 widely scattered frontiersmen, he was a *Hayward*, the splendidly outstanding figure of resource and courage, even better loved than Washington.

In 1790, when North Carolina turned over her western lands to the United States, the United States was barely a going concern. The Congress had little power to enforce the Federal law. The new Federal Government had not yet the resources amply to

Who Remembers the State of Franklin, but \$64,000,000 Is at Stake?

protect the settlers of the wild region. Realizing this, the 25,000 settlers of the frontier, despairing of much from the United States and abandoned by North Carolina, organized their own State, naming it Franklin, and made Gen. Sevier the first Governor.

It endured for three years, with authority running over 29,000,000 acres and 30,000 inhabitants, constantly at odds with resentful North Carolina; sometimes with two sets of courts and two Legislatures sitting simultaneously; often with much border bickering and raiding. "Nolachucky Jack," as Gen. Sevier's people affectionately called him, from the river on which he built his home, held the State together against enemies and antagonistic North Carolina and against even the passive opposition of the Federal Government from March 1, 1785, to March 1, 1788.

Sevier was arrested for high treason by order of the North Carolina courts, taken to Morgantown and placed on trial. In the middle of a session his friends from the Nolachucky rode to Morgantown, entered the court room, informed the Judge that he was done with Sevier whether he realized it or not, withdrew their hero, set him upon a fast horse and galloped with him back to the woods of their own country. And no effort was made to recapture or try Sevier or to punish his rescuers.

This brilliant figure of the early days of the country—the soldier who took part in thirty-five battles and never lost one, who was thoroughly respected by the wild Indians of the border and who became finally the first Governor of the State of Tennessee as he had been Governor of the abandoned State of Franklin—never recovered his lands and never was able to secure from the Federal Government payment for the lands. For virtually 130 years this claim has risen to the surface with every new Congress, as far from settlement to-day as it was a century ago.

There are many heirs to the Sevier Claim, since the General himself had eighteen children, and the stock multiplied through Tennessee, Kentucky and the Southeast. The claim is now being pressed by Emmetta Humphreys, *administratrix de bonis non*, as the legal phrase is, of John Sevier, Sr., and John Sevier, Jr., against the United States of America.

Many a Story of Adventure In the French Spoliations Claims

The author of "Home, Sweet Home" had a claim against Uncle Sam of \$205.92 which has been pressed by his heirs. John Howard Payne was consul at Tunis until his death on April 9, 1852, and in one of his final settlements with the Government he turned in too much cash by the amount mentioned. Various reports have been made to Congress since the Fifty-first body, but the matter dragged somehow.

The claims known generally as the "French Spoliations," dating from the period when French warships and privateers preyed on Yankee commerce and containing in the voluminous record matter for several novels of adventure, perhaps, supply many fascinating glimpses of the troubled days of the youth of the United States. Here is a sample of the 121 claims listed in the record of the French Spoliations:

Ship *Aurora*, Stephen Butman, Master. The *Aurora* was making a peaceful commercial voyage from Boston to Kingston, Jamaica. She was seized on the 7th day of November, 1797, on the high seas by a French privateer, and her crew and all her officers, except her master, supercargo and cook and carpenter were taken from her. A prize crew of 3 officers and 13 men from the privateer were put in charge of her. Four days later, in order to escape capture by the British battleships which appeared, the French prize crew ran the *Aurora* onto a shoal, where she filled with water, and part of the prize crew escaped

Now this is the bedrock of German policy. Germany is fighting not to lose the war, despite the military defeats and the treaties imposed upon her at Versailles. But victory or defeat turns upon the subject of reparations.

It is not that the German is fighting to reduce the sum of reparations, with any purpose to pay what is possible, having eliminated the impossible. No, for alongside with the reparations campaign goes the battle to establish the idea that Germany was not responsible for the war, was the victim not the aggressor, and therefore to establish the idea that the moral basis on which the reparations claim rests is unsound.

Yet the fundamental fact as between the French and the German has not changed and cannot change. Either Germany must pay the French claims and give evidence of having abandoned her aggressive policies with respect of France, or French policy and French power will combine to make German recovery—economic first, military second—impossible. The problem has no new aspect and no alternative answer can be found. Moreover, the situation does not stand still: on the contrary, the more clearly German policy indicates that Germany does not mean to pay the more potent becomes the party in France which demands that Germany shall be made powerless, since she cannot be compelled to pay.

Altruists Hold Attitude of France to Be Due to Vengeance

I know it is popular to assert that French pursuit of such a policy, which means no more than the effort to obtain security against a new attack, since no repayment can be had for the injuries of the last, is described in Anglo-Saxon countries as suicidal, and France is held to be insuring her own ruin at the moment she is bringing down the German edifice. But this is only moderately true. France is fiscally ruined if Germany does not pay, but fiscal ruin and national ruin are quite different things, and France is better adapted than any other European nation to endure the general collapse of the existing economic system.

You can put the thing simply by saying that if Germany is destroyed all the world will suffer from the repercussions of the collapse, but France least of all, and the French loss will hardly outweigh the prospective French loss if Germany recovers her strength and uses it, as she openly avows her purpose to use it, namely, in a new assault upon France. The reason for the comparative advantage of France lies in the fact that, unlike Germany, Italy or, for that matter, Great Britain, France is a self contained country, with a comparatively low density of population; France can feed herself; she can practically meet all of her requirements within her own home and colonial area, and she is not highly industrialized, like her neighbors. The foundation of France is the peasant farm; the character of France, that of an agricultural country.

If the French extend their occupation of Germany, if they seize mines and manufacturing establishments, if they cut off from Germany the great Rhine and Silesian centers, then Germany has lost those workshops, those sources of materials by which she lives. She cannot import raw materials to transform and export to pay for the vast quantities of food which she must annually import to feed her teeming population. If French armies move over the country there is an end of foreign credits, for the risk will far exceed the promise of profit, and Germany will thus lose the supplies of raw materials which she must transform in order to earn her food.

After all, Germany is like a factory city, with vast mills, with a huge population of operatives. Such a city does not grow its raw materials or its foods, it must import most of both. But if it be separated from its raw materials, from the things which the factories use, then the factories must close, the operatives must migrate or starve and the city is doomed to a vast shrinkage in population and in industrial importance. This is precisely the fate which now overhangs Germany, a fate which no nation can avert provided German policy continues to pursue the same pathways it has followed during all of the last two years. Moreover,

cellent reasons why the auditors of the public funds must scrutinize very closely every claim made, because many are rather tricky demands, to say the best about them. It somehow appears that a truly deserving claim meets the chill reception meted to the disingenuous and fraudulent. Claims cover every imaginable circumstance.

Senator New of Indiana recently put forward a claim on behalf of Con Murphy, a civilian employee of the post office at Cheyenne, Wyo. It appears from the record that there were people around that were fond of playing rough practical jokes on Con. Once they tripped him and his knee cap was permanently injured. At another time they loaded an innocent looking basket with heavy books and Murphy strained himself badly in a sudden effort to lift the weight. He asked for \$5,000, having worked for Uncle Sam for fifteen years as caretaker and janitor of the Cheyenne post office.

Vice-President Marshall put in a claim in behalf of the Commercial Pacific Cable Company several years ago for money to cover the cost of repairs made to the cable at Guam. It was rather a curious case. A boatswain of the United States Navy was following the course of the cable and was buoying its location for a temporary naval purpose when he lost hold upon a very heavy anchor. This weighty affair went plunging to the bottom and smashed against the cable, by ill luck. The strands were crushed against the hard rock of the sea bottom, and it cost the cable company something like \$35,000 to put the cable in repair.

The carelessness or inexperience of Federal employees costs the Government a pretty large sum from year to year, but persons who base claims upon such ineptitude have to make out a clear case if they get their money. Uncle Sam is not easily fooled.

Flying Men Produce New Kind of Bill Against the Treasury

Flying men have produced a new kind of bill against the Treasury. In August of 1918 a military aviator of the mail service came down upon a small farm near Jamaica. The owner put in a claim which recited sore damage to the growing crops. According to the specifications, that airplane must have spread itself over considerable ground.

Families of men who lose their lives in the service of the United States often put in claims, typical of which was the request for compensation for the death of A. R. Proctor, who was killed by malarial poisoning while working as a sanitary inspector on the Panama Canal. A strange case was a request for money to repay the cost of the funeral expenses of a West Point cadet who had been ordered to Fort Bayard, New Mexico, to take treatment for tuberculosis. The Senate committee made this report:

While it is true that there is no appropriation available for the burial of cadets who die while at West Point, your committee is of the opinion that the Government is under obligation to treat cadets as liberally as other soldiers. This obligation should in honor and justice be recognized.

From 1897 to 1906 Gen. Robert F. Patterson was Consul-General of the United States at Calcutta, India. Commercial exchange on rupees fluctuated constantly, and while the Treasury at Washington demanded accountings at the estimated value furnished by the Director of the Mint and as compared to United States gold, it insisted on paying the General's salary on the cheaper basis. The result was that he lost pretty tidily on the series of transactions, and after his death his widow put in a claim for \$20,000 for the relief set forth. She submitted a very full bookkeeping statement on the exchange difference in rupee value over the whole period. The recent war has produced several cases of this nature, based on the depreciation of foreign currency.

Committees of Congress give very thorough study to the claims made, neglecting no demand and often assigning subcommittees for extended investigations. As a rule the committees lean to generosity, but many of their favorable reports are sidetracked in Congress.

time does not wait and the period in which a change of policy can be made effectively has become short in the extreme.

No one cares to prophesy about European conditions now, yet it seems to me that of all possible developments that which is most likely is the progressive ruin of Germany following the extension of French occupation and the alienation of German properties, such as coal mines and manufacturing establishments. More than this, if French armies do begin a serious invasion, a march to Berlin, we are bound to see the seizure of all elements of wealth which can be consumed upon the place or moved to France. These are not of great value by comparison with the sums of reparations which are demanded, but they have an immediate value and the loss of them carries with it the further disintegration of German life.

Bear in mind that for every requisition, seizure, reprisal, the French and their allies, the Belgians, have an appropriate parallel. All of northern France and much of Belgium was literally swept clear of livestock by the Germans during their period of invasion and occupation. If all reparations, save in kind, are refused France she can at least restock her farms and replenish her plundered homes, and in doing this do no more than forcibly recoup herself in part for what was taken from her during the war. Rumania, occupying Hungary after the collapse of the Central Powers, similarly recouped herself, and Budapest having profited at the expense of Bucharest, the Rumanian capital, in the end had its revenge.

Many of my American friends say to me that such a course by the French would be dangerously unpopular in the United States. True, but will the United States undertake to make Germany pay or guarantee France against a new German attack? Obviously not. It is equally asserted that the British would never approve such a policy. True, again, but will the British insure France, supply the moneys Germany refuses to rebuild France? Certainly not. Then, finally, will the United States or Great Britain go to war with France to save a Germany which refuses all just payment and continues to threaten new invasions and new devastations? It is unlikely.

In the last analysis the power lies in French hands, and failure to exercise the power carries with it the menace to the future of the great nation, which has had fifty years of uninterrupted German menace and not a few years of actual German attack. And from the day of the armistice the whole French people have had but two things in mind. "Germany must pay, or Germany must be rendered harmless for a period well into the future." Lloyd George, Mr. Wilson, one statesman after another has sought to modify French policy, but all have failed because none was able to modify the German attitude. From the beginning the sole hope of saving Germany on the economic side has been persuading Germany to meet her obligations under the treaty and discard her purposes which produced the war.

No Genuine Progress Made Toward Peace Since Armistice

From the hour of the armistice to the present moment hostilities have been presented between France and Germany only with the greatest difficulty and with serious consequences to French statesmen who yielded to allied persuasion. In reality, while the actual fighting has been interrupted, French and German policies have remained in opposition. At best there has been a truce, but not a foot of progress toward any solution of the great question. Confident that the recent allies of France would restrain the French, the Germans have multiplied their defiance and unceasingly practised those covert menaces which were destined to arouse French apprehension and precipitate such French action as would deprive France of her allies.

Germany is playing the peace game as she played the war game. She is counting on dividing the Allies, on isolating France; she is reckoning on the self interest of Britain and the United States, who must suffer if Germany is destroyed as an economic unit, as a potential market. She is not counting on making any sacrifice herself; she is rousing her people to new passion and new fury with each day. She is openly challenging the responsibility for the war, and therefore the responsibility for the reparations. She is risking ruin, as she risked it when she invoked the submarine as a weapon against her enemies, with the same obstinacy, the same blindness and for herself the same fatality.

It seems to me Americans can table all calculations on this fact: France will never permit Germany to recover economically unless Germany meets French demands for reparations. Aside from the possibility of reparations, French safety, French existence, is best guarded by the reduction of Germany to a State of forty or fifty millions of inhabitants. And such reduction French military power can now bring about without aid from any other nation. Moreover, no other nation can prevent France from such action save as it contributes to coerce the German and guarantee French security.

In any event the present crisis cannot endure. Things must improve or worsen very rapidly, and any material decline must bring with it economic ruin for Germany. Provided German policy shows a sudden and complete change, provided Germany consents to meet allied terms, at the very least to accept them and begin some respectable effort to pay, provided Germany lays aside her present campaign of threat and menace to France, there is yet a chance that she may escape. But the conditions are almost solidly contrary to any known fact.

On the surface Germany seems marching straight toward ruin precisely as she did when she undertook to invade Belgium in the face of world sentiment and immediate British danger, exactly as she did when she resorted to unrestricted submarine warfare with the certainty that this meant American participation. Britain came into the war reluctantly, the United States entered with no less distaste, but both came, and the presence of both insured German defeat. To-day the destruction of Germany is distasteful to public sentiment and opinion in the United States and Great Britain, but not sufficiently distasteful to permit intervention to save Germany while Germany obstinately refuses to pay and steadily continues to threaten France.

German destruction is made in Germany, not in France, but the instrument will be French, and it is difficult to see how France can be restrained much longer from that march to Berlin. The march will mean a new war, but a war which will almost certainly have for Germany the same unmeasured evil as the Thirty Years' War, which put Germany out of the reckoning for a full century and a half.

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